

CALIFORNIA ENERGY COMMISSION

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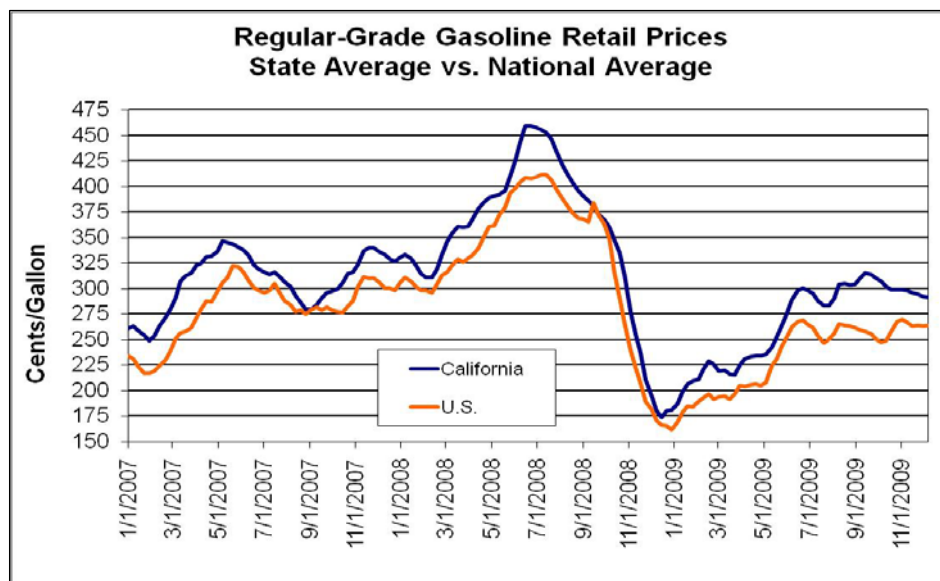
Main website: www.energy.ca.gov

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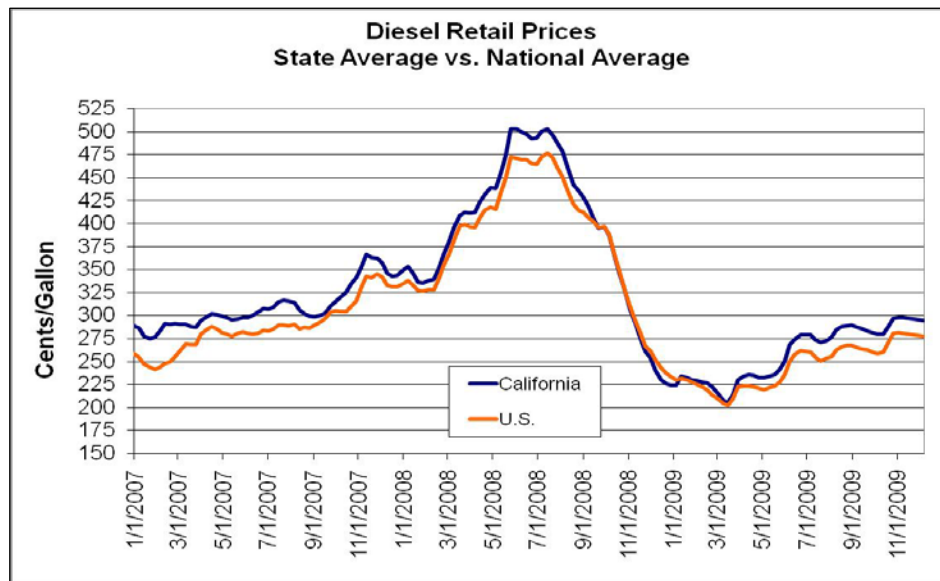
Consumer Information: www.ConsumerEnergyCenter.org

**Petroleum Watch****December 10, 2009*****Retail Gasoline and Diesel Prices on December 7***

- The average California **retail price for regular-grade gasoline** decreased 1 cent from last week to \$2.91 per gallon from the previous week. Prices are \$1.11 higher than this time last year but 8 cents lower than a month ago.ⁱ
- The difference between California and U.S. retail gasoline prices decreased 2 cents from a month ago to 28 cents per gallon. U.S. gasoline prices decreased 6 cents since last month to \$2.63 but are 94 cents more than this time last year.

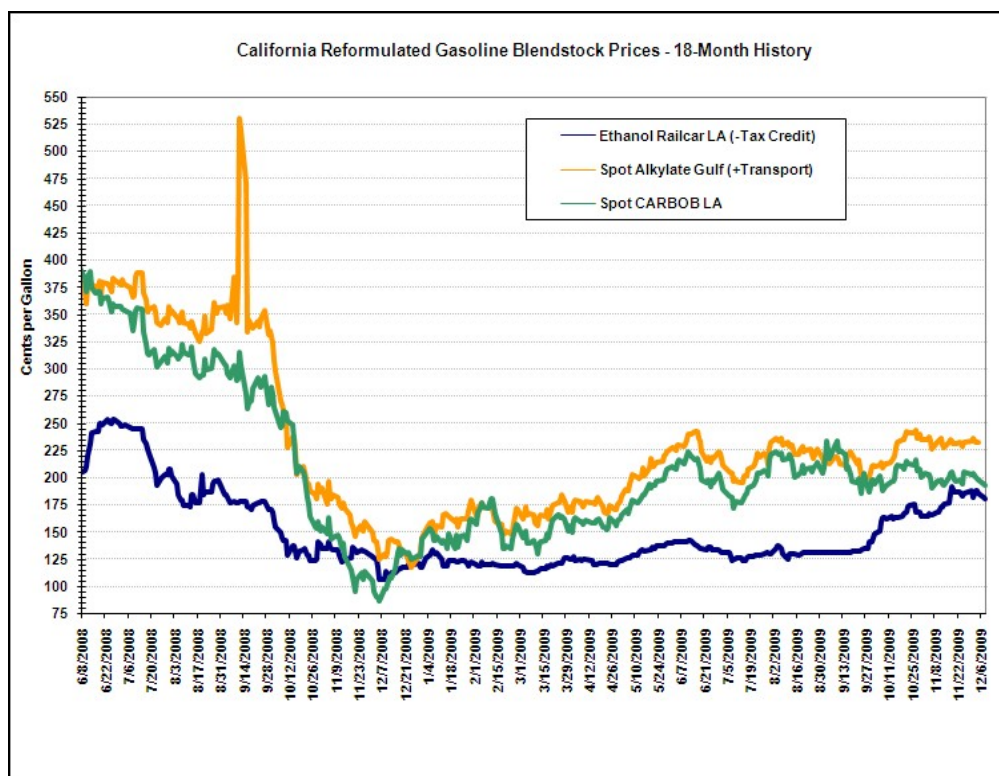


- The average California **retail diesel price** decreased 3 cents since last month to \$2.94 per gallon. The U.S. retail diesel price fell 4 cents from a month ago to \$2.77 per gallon.



Wholesale Gasoline, Diesel, and Blendstock Prices on December 8

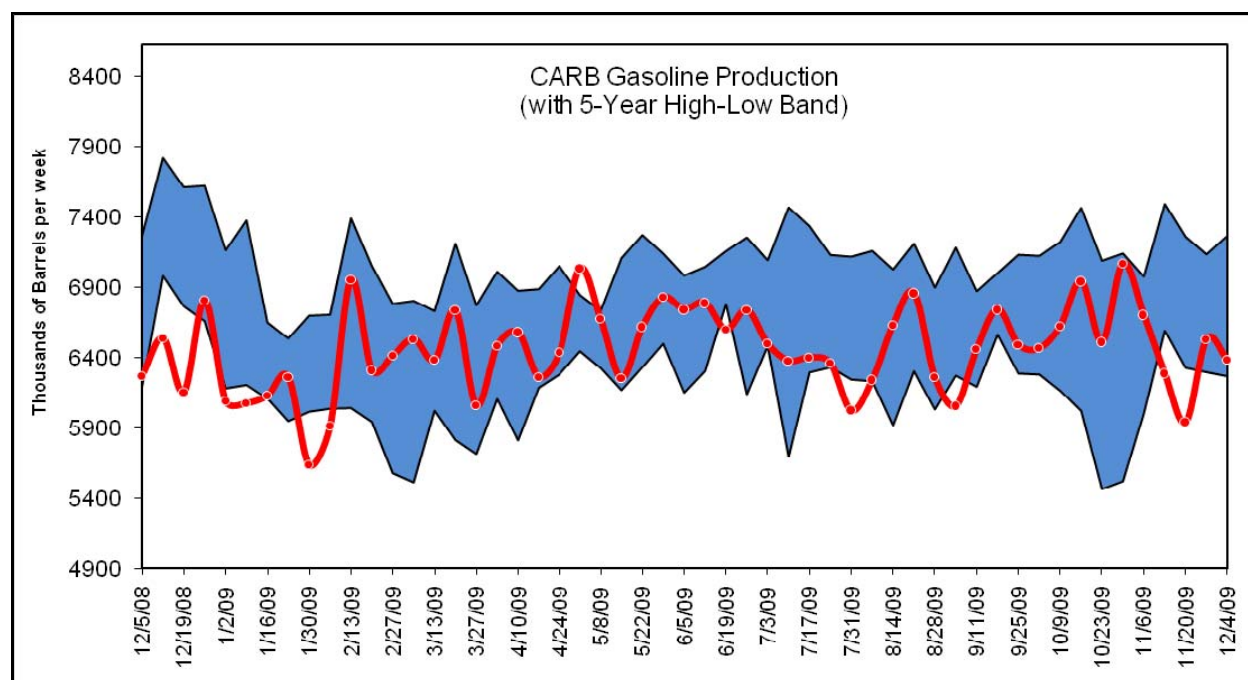
- Wholesale prices have decreased slightly, following crude oil price movements. Diesel wholesale prices have declined despite the start of the winter heating season.
- California **spot wholesale gasoline prices** for regular-grade reformulated blendstock for oxygenate blending (RBOB) fell to \$1.91, 14 cents per gallon less than a month ago but 99 cents more than the same time last year.
- Spot prices for RBOB in Los Angeles are 2 cents per gallon more than New York Harbor and 6 cents more than the Gulf Coast.
- California spot **wholesale ultra-low-sulfur diesel prices** have fallen to \$1.97, 11 cents less than last month but 67 cents more than a year ago.
- California wholesale ultra-low-sulfur diesel prices are 2 cents more than the Gulf Coast and 1 cent more than New York Harbor.
- California **spot wholesale prices for fuel ethanol** rose 16 cents from last month to \$1.81 per gallon.ⁱⁱ



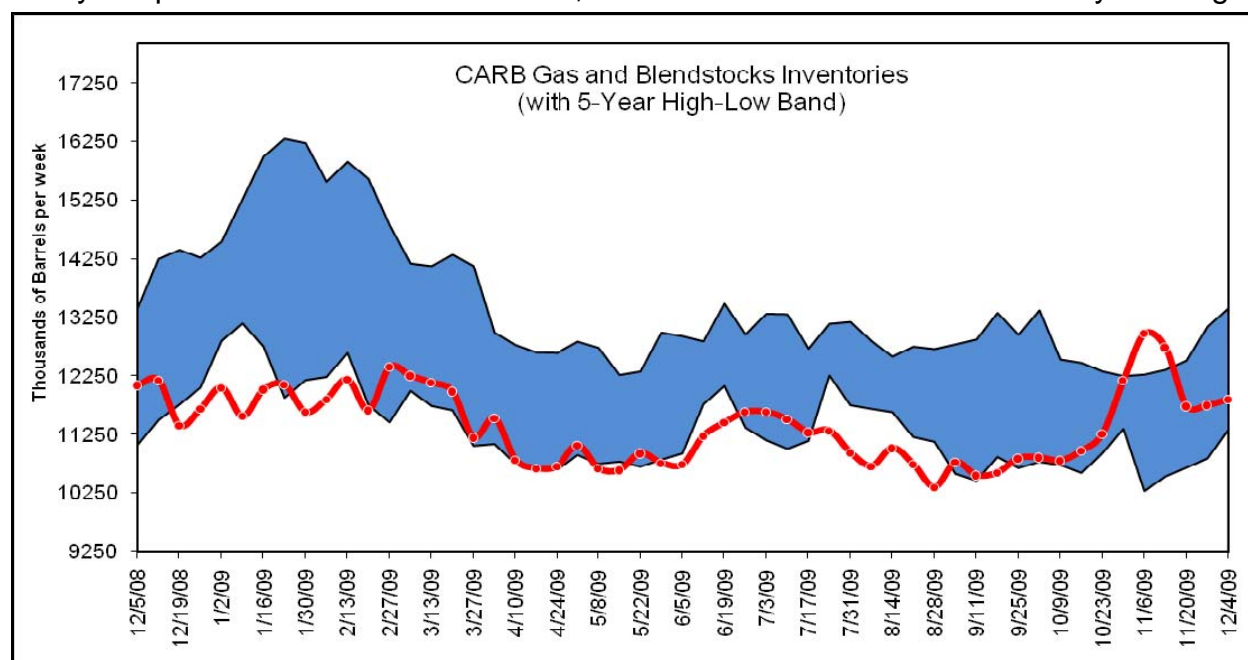
- The Energy Information Administration's (EIA) weekly report for the week ending December 4 shows that **U.S. gasoline demand** increased 0.8 percent, and distillate demand decreased 7.2 percent from the previous week. The four-week average demand for gasoline is 9.01 million barrels per day, 0.9 percent more than the four-week average at the same time last year. The four-week average for U.S. distillate demand is 3.54 million barrels per day, 9.8 percent less than the same period last year.

Refinery Production and Inventories

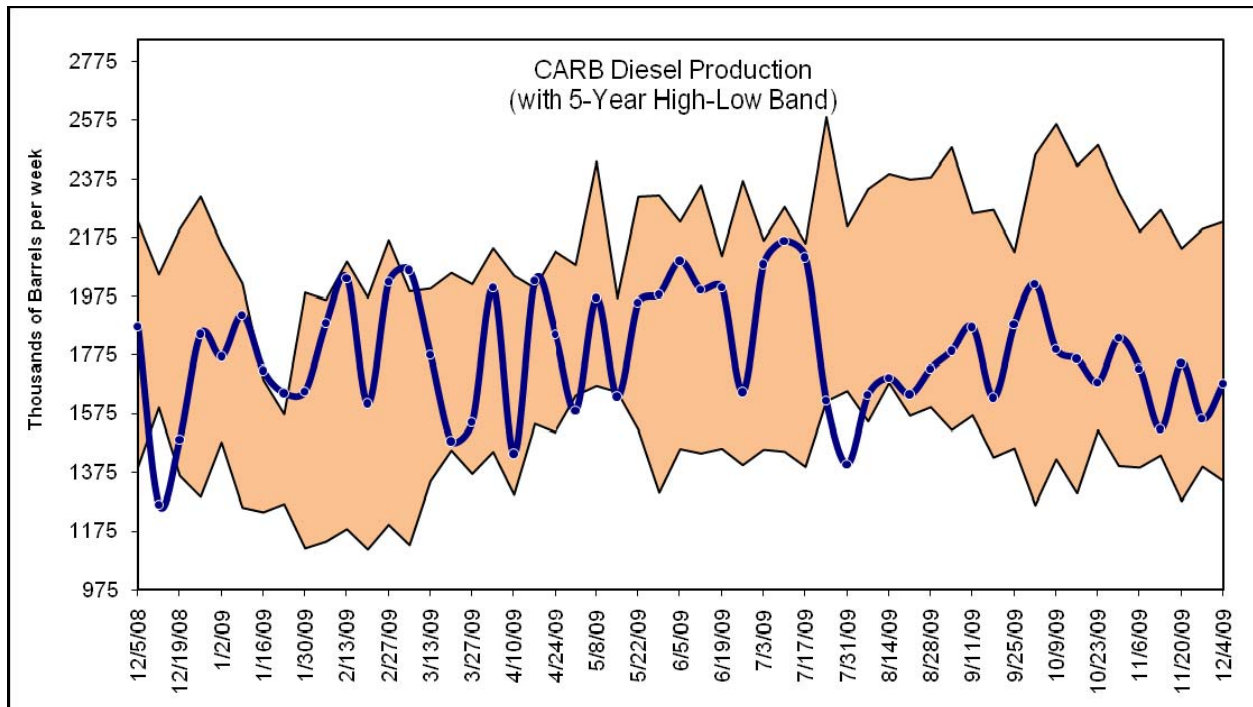
- **Reformulated gasoline production** in California for the week ending December 4 decreased 2.2 percent from the previous week to 6.4 million barrels, falling to the bottom of the five-year range but 1.9 percent higher than a year ago.ⁱⁱⁱ



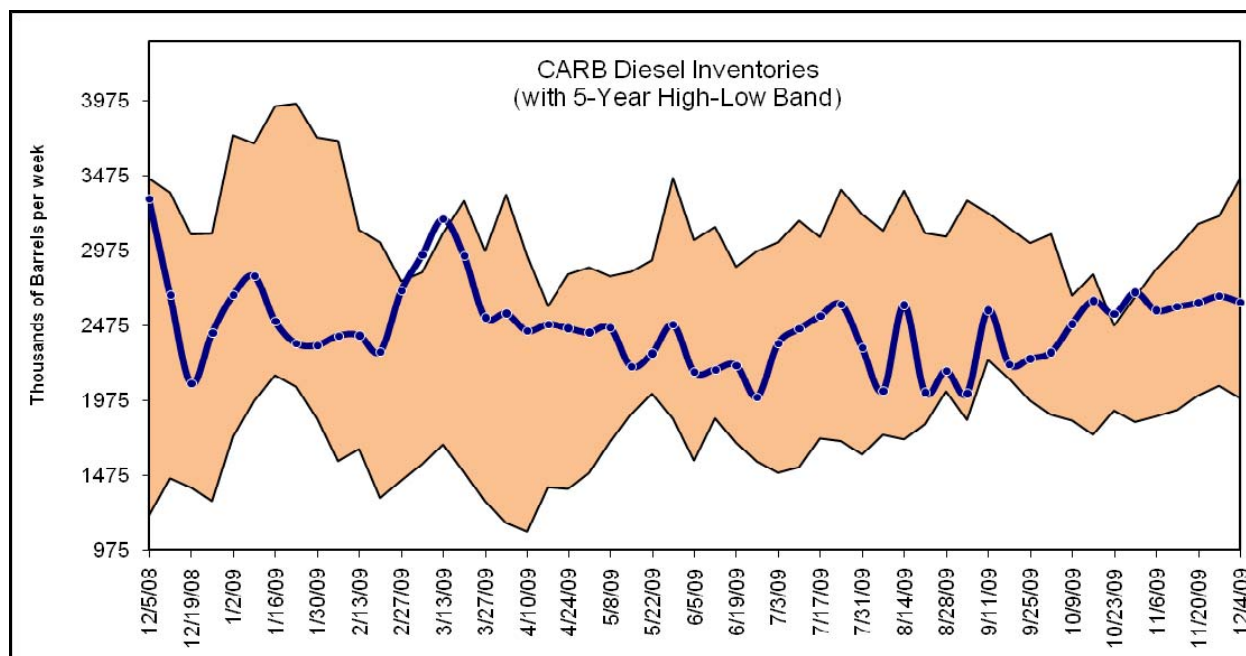
- California **reformulated gasoline inventories** increased by 4.6 percent from last week while gasoline blendstock inventories decreased 2.8 percent. Combined inventories of reformulated gasoline and gasoline blendstocks in the state increased by 0.9 percent to 11.9 million barrels, which is near the middle of the five-year range.



- U.S. gasoline inventories as of December 4 increased to 216.3 million barrels, 2.3 million barrels more than the previous week. Inventories decreased on the Gulf Coast and increased on the East and West Coasts.
- California-compliant **ultra-low-sulfur diesel fuel (CARB diesel) production⁵** was 1.7 million barrels during the week ending on December 4, an increase of 7.7 percent from the previous week and approaching the middle of the five-year range.

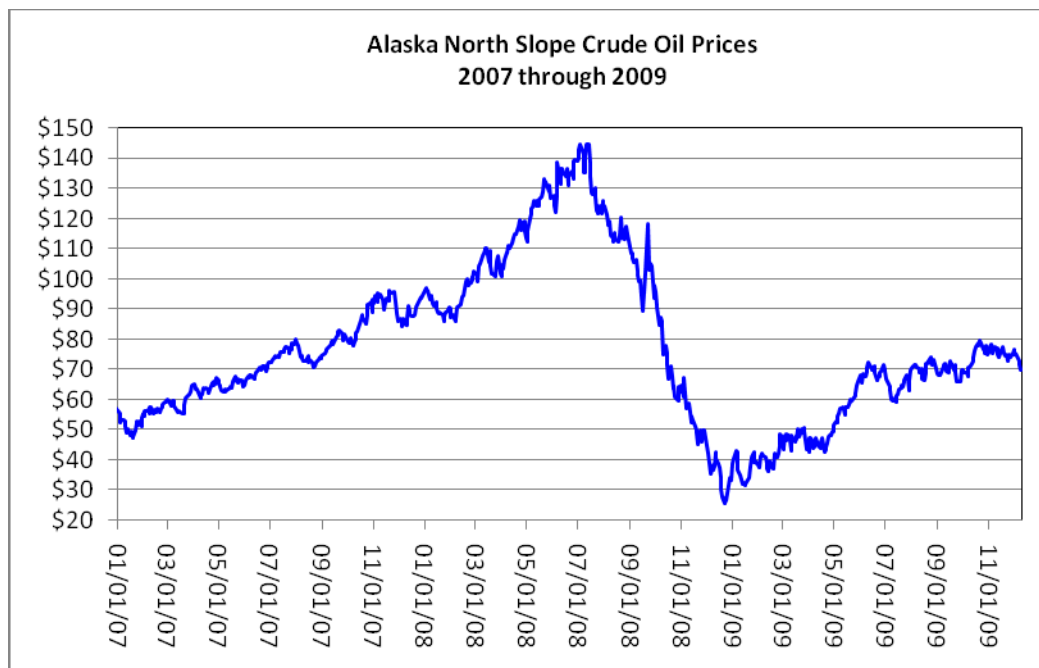


- **Inventories of CARB diesel** in California decreased 1.5 percent from the previous week to 2.6 million barrels and remain in the middle of the five-year range. Total U.S. distillate inventories as of December 4 rose to 167.3 million barrels, 1.6 million barrels less than the previous week. Inventories decreased on the Gulf Coast and increased on the West and East Coasts.



Crude Oil Prices and Inventories

- West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, reached a 2009 high of \$79.89 per barrel on October 21 but have since declined to \$69.92 on December 9, 2009, \$7.51 lower than last month but \$36.87 higher than a year ago.^{iv} A downward revision of the third quarter 2009 U.S. gross domestic product, continued unemployment, weak Thanksgiving weekend consumer spending, and a strengthening of the U.S. dollar has put downward pressure on oil prices, while a year over year increase in crude oil demand and the seizing of an oil supertanker by Somali pirates has put upward pressure on prices. The International Energy Agency has expressed concerns that increases in oil prices may hinder economic recovery.



- U.S. commercial crude oil inventories as of December 4 fell by 3.8 million barrels from the previous week to 336.1 million barrels. Crude oil stocks are 15.3 million barrels more than this time last year and 20.2 million barrels more than the five-year average for this date. California crude oil stocks fell 1.5 percent from the previous week to 16 million barrels and are 2 percent less than last year.

¹ Spot wholesale and retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

² Ethanol railcar prices are from Platts Oilgram and are average prices for prompt Southern California shipments minus a 45¢/gal federal excise tax credit for 2009 prices and a 51¢/gal federal excise tax credit for prices prior to 2009. California alkylate prices are also calculated from Platts Oilgram and include a 20¢/gal transportation and distribution cost from Gulf Coast to California. Spot wholesale prices for regular-grade California reformulated gasoline blendstock for oxygenate blending (CARBOB) are from Oil Price Information Service.

³ California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

⁴ ANS crude oil prices are from *The Wall Street Journal*.

⁵ Staff has discontinued the reporting of combined CARB and EPA diesel production and inventories and will report only CARB diesel as of December 2009. EPA diesel is primarily for export from California.